PART 3 **THE DESERET EVENING NEWS.** 17 TO 24

TRUTH AND LIBERTY.

FIFTY-SECOND YEAR. SATURDAY, JANUARY 11. 1902, SALT LAKE CITY, UTAH. NUMBER 44.

Galveston, City of Afflictions, Now Faces Bankruptcy.

Remarkable Series of Misfortunes that has Befallen the Texas City.

Her Industrial and Financial Fate in the Hands of a Few Men.

It rests with a few men in New York to say whether the city of Galveston shall be declared bankrupt, or, with its burden lightened, shall be permitted to work out its salvation with its escutcheon clean.

The great storm of September 8, 1900, the full horror and extent of which has not been appreciated by the American people, was but the first of a series of misfortunes which have been visited upon the Texas city. There has been no whimpering or inveighing against fate by the people. They have borne their troubles nobly, strong in the faith that after the rain the sun will shine; but now they are forced to ask the indulgence of the men who hold the bonds which represent the city's debt.

So far the bondholders have insisted upon getting every penny of interest from Galveston. In vain have the Galvestonians pointed out that with one-third of the city blotted out by one of the most terrible storms in the world's history not only one-third of the taxable property has been lost, but the shock to confidence has affected the value of the remaining two-thirds.

CITY GROANS UNDER BURDEN.

to lose a dollar of their capital, but it Galveston doesn't ask the bondholders does ask for a readjustment of the interest rate, so that the burdens on the city will not be so great. The city simply cannot pay the present interest rate —a rate made when the city was rich and prosperous. It seems to the people of Galveston that the bondholders, who have money invested in the city, just as the citizens have, should be willing to shoulder a small portion of the weight put upon the community by the great storm.

It is the request of the city that the bondholders readjust the debt on a basis of about three and a quarter per cent, instead of 5 per cent, the present rate. The bondholders seem to be willing.

A committee will come from Galveston to New York within the next thirty days to confer with the bondholders' committee. If an agreement cannot be reached at this conference Galveston will be face to face with the bald, blank wall of bankruptcy.

Charles S. Fairchild, secretary of the treasury in the cabinet of President Cleveland, is chairman of the bondholders' committee. N. W. Harris & Co. have acted as fiscal agents of Galveston, and it was through this firm that nearly all the bonds were sold. The gross municipal debt of Galveston is only $1,000,000, and $1,000,000 has been absorbed in the sinking fund, leaving $3,000,000 net outstanding. The concession asked from the bondholders therefore amounts to $52,500 a year in interest. Those persons best acquainted with Galveston and its abilities declare that, with the debt refunded on a three and a quarter per cent basis, every dollar of interest will be met promptly. At the same time it is acknowledged, reluctantly, that persistence in the demand for five per cent will involve the city in bankruptcy.

While Galveston is a beautiful city, delightful to live in, and with a climate like that of the Mediterranean, its life practically depends upon the shipping. Grain and cotton form the bulk of the exports. Naturally Galveston would be the greatest cotton port of America, and would rank third or fourth in grain. Cotton distributes a great deal of money through labor channels, and the men who stow the bales away in the holds of ships are among the best paid workmen in the world.

In Galveston there are approximately three thousand cotton screwmen. The term "screwmen" grows out of the fact that in order to save space in ships the cotton bales, already compressed, are jackscrewed into the smallest possible compass. The work is very hard and resuires a high order of skill. By screwing cotton the carrying capacity of a vessel can be increased about thirty-three and one-third per cent above that possible by the most advantageous stowing without machinery.

Following the great storm, many families left Galveston, so that, with the dead, the population last summer was reduced one-third. Those who remained were of good heart. But their cup of bitterness was not filled by the storm. One by one the props and supports which naturally they lean on fell away.

DISASTER UPON DISASTER.

First it was the wheat crop of Texas. In the northern part of the state there is grown a Mediterranean No. 2 wheat, which is of superior quality and in great demand. Usually a large portion of the crop goes through Galveston. Exports mean ships. Ships mean money. With the Texas wheat crop a failure, there was none to export and no need for ships on that account.

Then came a heavy blow. The corn crop of the whole West was blighted. Failure of wheat and failure of corn would have been borne complacently had it not been that disaster came to the cotton crop of the southwest.

But the curtailment of the crop was not enough. The ocean carrying trade of the world became demoralized last fall. Ocean freight rates became so cheap that it didn't pay to screw cotton into the ships. The bales were "rolled" in and the vessel sent away.

All this time the city of Galveston, jealous of its good name, had been paying regularly the interest on its indebtedness. This entailed sacrifices and much work, but it was done. In December, however, there was no more money forthcoming. With an empty treasury there was nothing to do but to announce to the bondholders that the December interest could not be paid. Every effort had been made to enlighten the bondholders and to obtain a helping hand from them, but the bondholders could see only one fact, that they were entitled to interest on their bonds and it was the duty of Galveston to pay it.

Negotiations by mail failing, a committee of citizens was formed, with George Sealy at its head, to come to New York and lay the whole case before the bondholders' committee. That committee was to have reached here December 17. On the road to New York Mr. Sealy was stricken and died. The committee returned to Galveston with his body.

Meanwhile Gen. Henry M. Robert, U. S. A., retired, formerly chief of the Engineering corps; Alfred Noble, of Chicago, who built the locks and dams of the Sault Ste. Marie, and Maj. Henry C. Ripley, formerly of Galveston and later of the United States Engineering corps on the Darien isthmian canal route, are studying the problem of protecting Galveston from any storm the future may bring forth.

WORKING FOR SALVATION.

Gen. Robert built the jetties at Galveston and probably is the most eminent marine engineer in the world today. Whatever these men suggest Galveston will do, no matter how great the sacrifice. Whether it be a sea wall, the raising of the whole city, or both, the people are determined. They know that, with the city protected, property values will be restored, confidence will return and the future will bring to Galveston the prosperity and greatness it deserves.

How well this spirit is held is shown by the expressions of Clarence Onsley, editor of the Galveston Tribune, and I. H. Kempner, one of the commissioners put in charge of the city by Governor Sayers. Mr. Onsley says:

"The bondholders have been misinformed and are strangely obtuse. We have defaulted in December interest, as I foretold a year ago, not by design, but out of absolute inability to pay. If the bondholders had accepted our proposals a year ago the city would now be solvent. As it is, they must learn by failing coupons that their security has been greatly impaired. Then perhaps they will see the truth. It is not a case of repudiation; it is municipal bankruptcy caused by the annihilation of one-third of our property values."

ON VERGE OF BANKRUPTCY.

I. H. Kempner said:

"Since the great disaster of September 8, 1900, up to December 1, 1901, the city paid every dollar of interest on her bonded debt which accrued. This was done by temporarily encroaching on some of the sinking funds. More than a year ago Messrs. N. W. Harris & Co., of New York, quoted former Judge Sidney Dillon as saying that the attitude of Galveston constituted one of the most notable evidences of good faith and municipal integrity that had ever been brought to his attention.

"The city now finds that it can no longer pay interest at the present rate on its bonded debt. It is not asking the bondholders to scale the principal of their debt one dollar; it is not asking the holders of its bonded debt to lose any portion of the capital they have invested, but it does ask that, on account of the shock to values growing out of the destruction of property and loss of confidence of September, 1900, the bondholders do consent to a readjustment of interest for a period of years under a schedule of interest payments which will yield a return of about three and a quarter per cent per annum, instead of five per cent, as it now stands.

"There is no desire for or threat of repudiation; the community, as a unit, favors paying every cent it possibly can. The board of commissioners, composed of five business men and attorneys, into whose hands the government of the city has been intrusted by the governor of the state under a special act of the legislature, claim that they have offered the bondholderds all that assessed values without further protection will possibly yield, all that the bondholders can obtain by a judgment of court rendered in their favor."

And now it rests with a few men in New York city to say whether Galveston, bowed with the weight of many misfortunes, shall have added to her burden the blot of the bankrupt.—New York Herald.

UNDAUNTED ADMID CITY'S WRECK.

I refuse to believe that Galveston will not gloriously recover. We have every natural resource we had before the storm, and I cannot see why we should not come into our own. To be sure, we have great problems to solve, but life without problems would be a stale affair.

CLARENCE ONSLEY,
Editor Tribune.

NOT REPUDIATION, SHEER INABILITY.

Repudiation is far from the desire or intention of the people of Galveston, but sheer inability to pay, growing out of an act of God, is hardly to their discredit.

I. H. KEMPNER,
Commissioner of Galveston in Charge of Finances.

SENATOR JOHN T. MORGAN

FATHER OF THE NICARAGUA CANAL.

Washington, Jan. 2.—Many years ago when John C. Calhoun was the apostle of the cotton states and preaching a doctrine which, if not the germ, was the baby plant of one of the most tremendous revolutions and one of the most gigantic wars in the history of men, he visited Alabama, where he found two ardent young disciples—one William L. Yancey, the other John T. Morgan. The first was, perhaps, the most brilliant public man of his day, a greater Bryan as a party leader, and even more loved and trusted by the great nullifier than Heyne, or McDuffie, or Jefferson Davis. He died heading a faction in the revolutionary government his eloquence had contributed with so great potency to create.

Morgan went to the field and bore himself a stout soldier. Later he helped to rehabilitate the South that he had fought for so gallantly and loved so devotedly, and for more than two score years he has been "an ambassador from the sovereign state of Alabama in the Senate of the United States," to employ his own definition. He has been a very conspicuous member of that body,a pillar of American citizenship,an exemplar of American statesmanship. Alaabma has been represented in the Senate by King, Pickens, the Clays, Fitzpatrick, Clemens, Houston and Pugh. It is only candor to say that all of them dwarf before the name of John T. Morgan.

DeWitt Clinton, who smote Tammany and it withered, was the author of a canal system which married the Atlantic slope to what is now the great Middle West, and thus was that great valley populated with a mighty people and that section cemented to the great American sisterhood.

Thomas H. Benton, pointing westward, exclaimed: "There lie the Indies." That was the idea whence were evolved our transcontinental railroad systems, which marry the Mississppi river to the Pacific ocean, the Mississippi valley to the Pacific slope.

The name of John T. Morgan will ever be as closely associated with the enterprise to construct an Isthmian canal, connecting the two great oceans, as the name of Clinton is with the Erie canal, or the name of Benton is with the Pacific railroads.

It was in 1877 that Morgan first entered the Senate. Allison, Jones of Nevada and Cockrell were there before him. Stewart had been there before him, and Hoar came in with him. A man of unusual ability, he has the strength and the character that tenacity and indomitable courage give to the public servant. While Hoar was reading Chaucer, while Turpie was reading Victor Hugo, while Thurman was reading Montaigne, while Vest was reading Dickens, while Lodge was reading John Q. Adams, while David B. Hill was reading the newspapers—while these were so engaged, Morgan was reading the messages of the Presidents of the United States, the treaties ratified by the United States Senate, and musty documents from which even industry would shrink. In his cross-examination of C. P. Huntington, who swore he had labored fourteen hours a day devising schemes to promote the Pacific roads, Morgan declared that he worked eighteen hours every day. No one who knew him doubted the statement. There never was a more intrepid man, mentally, morally and physically, and these are qualities as essential to the great debater as great intellect and eloquent tongue.

Clay and Calhoun made the war of 1812. Calhoun and Douglas made the war with Mexico. And John T. Morgan, more than any other man, made the war with Spain. All the others only echoed him. He found the facts and the precedents and preached against Spain as Cato preached against Carthage—Spain in America.

His is a far-seeing eye, and he will live in history as a very great man, if his vision only proves clear, if his dream only be retained. He sees in the future possibilities for this people that are simply limitless. It was Morgan who annexed Hawaii. It was in that quarrel he adopted the word "Cuckoo" and engrafted it on our political nomenclature. He made the case of Hawaii his quarrel, and so he made Cuba's case his quarrel. The most musty and ancient state paper or public document was his delight and he waded through piles of them that would have put to flight any other senator. He dug out the facts, and though the speeches of Cushman K. Davis and of Henry Cabot Lodge were more scholarly, they never would have been the speeches they were had not Morgan supplied the facts. And this is no discredit to them. Did not Burke do the same for the greatest parliamentary gladiator the world ever saw—even Charles James Fox?

Morgan has no doubts. He is the very definition of optimism, intrepidity and tenacity. Stephen A. Douglas declared that we must be "an ocean-bound republic." That is the doctrine of John T. Morgan.

For twenty-four years Morgan has been a senator in Congress, and it is not to be supposed that he has participated in that long parliamentary warfare and escaped scars. Even Caesar had them. David Turpie was a senator from Indiana for twelve years and he had the most terrible tongue since John Randolph of Roanoke left the scene. He was as polished as Lamar or Sumner, could be as brutal as Hardin or Ben Butler and as sardonic as Thaddeus Stevens or John J. Ingalls. His sarcasm sometimes stunned like a blow of a meat ax, sometimes cut like the thrust of a stiletto—the bludgeon or the rapier were alike his weapon. The old fellow used to sit silent for weeks, listening ever, observing always. A partial paralysis of the muscles of the neck caused a constant motion of that enormous head filled with a bucketful of intellect, and he was constantly chewing something. It was not tobacco, nor was it tclu—nobody knew what it was —but it was a reminder of a sheep shewing the cud. Certain it was that eye saw everything and that mind observed everything. He was for the canal, but in answer to a week's speech of Morgan's he undertook to show that the canal could never be constructed and that a harbor at Greytown was simply out of the question, an impossibility.

Fancy this said in one of the most rasping voices and tantalizing manners ever given to man:

Mr. President, I thought I observed in the remarks of the honorable and learned senator from Alabama, the other day, a tone of bitterness, at least acerbity, when he made the reproach against the people and the government of the United States that the Isthmus still stands between the two oceans. Mr. President, the government of the United States did not put that Isthmus there. It was placed there without consulting the government or the people of this country. * * * Almighty God, sir, does not require of men impossibilities, and men, themselves, must be content with a little less dominion over the earth than the Maker."

Nobody can measure the sarcasm of that who did not see and hear Turpie as he uttered it; but it was little Morgan heeded it. He could give blows, and he could take them.

'My dear sir, you cannot run a government on conundrums." Turpie roared to Mitchell of Oregon, who pertinaciously interrupted him when he was delivering an elaborate speech on the Delaware contested election case, and if one would see Junius eclipsed, let him read Turpie on the Montana cas Perhaps it was well for the Senate tha, he did not have a clear, ringing voice like Frye's.

Wherever and whenever a mighty work is to be performed the instruments are there fashioned by destiny for the labor. Elizabeth of England, William of Orange and Henry of Navarre curbed the power of Spain and gave a mortal blow to a dominion that was not fit to be. Hampden and Cromwell throttled hereditary absolutism in England. Mirabeau, Danton and Robespiere obliterated old France. Henry and Jefferson lighted the eternal fires of liberty in our land, and Washington secured what they proclaimed. Lincoln and Grant crushed the slavery system of our South and brought that section and that people under the dominion of the ideas of the age.

And when the Pacific railroads were to be constructed the men appeared to do it. One bleak winter night in northern California four obscure men met in a hardware store in Sacramento. It was not the tailors of Tooley street, though their undertaking appeared as extravagant as the proclamation of that famous convocation. They determined to construct a railroad to connect the Mississippi river and the Pacific ocean. Seemingly they could not raise $100,000. They did raise $1,000,000,000. They built the road.

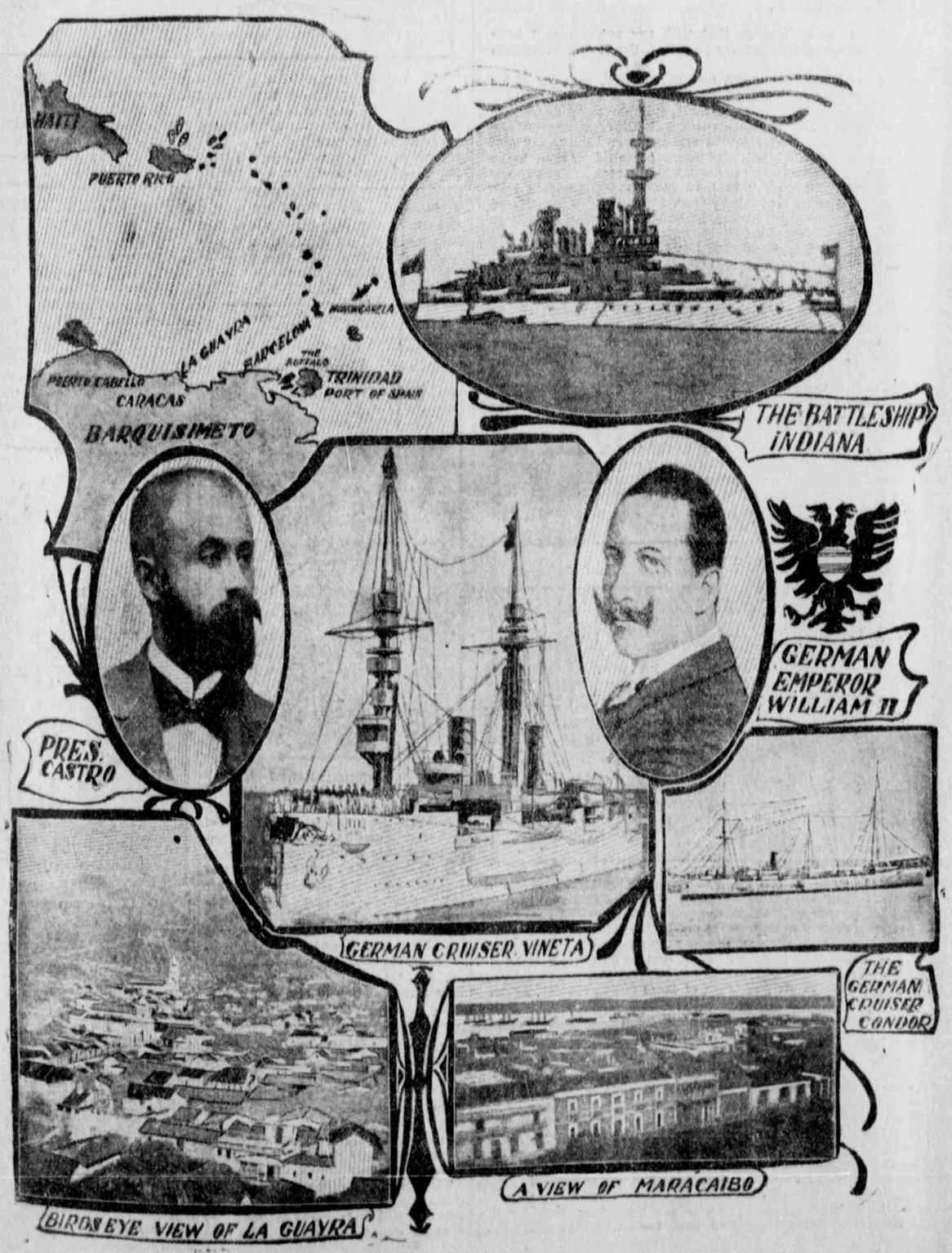
These four men were C. P. Huntington, Leland Stanford, Charles Crocker and Mark Hopkins—each the complement of the others, or rather the first was the complement of the last three, and they the complement of him. Some imaginative writer said of Dumas' masterpiece that Athos was the heart, Aramis the mind, D'Artagnan the hand and Porthos the muscle of that immortal conception. Huntington was Athos, Aramis and D'Artagnan. He got the money; got the subsidies; he interested the capitalists; he took care of legislation at Washington. Stanford managed the political and judicial end in California. Crocker took care of the constructions. Hopkins knew the books. The work was done.

It was discovered that these three men made money out of the enterprise. There was investigation after investigation and it fell to the lot of Morgan to cross-examine Huntington. Morgan undertook to ascertain how much the Central Pacific and the Union Pacific had cost. Huntington was determined that Morgan should never obtain that information. The cross-examination covered a period of weeks. It was during that battle royal between them that Huntington said he had spent over two millions teaching Congress its business.

Tilden's conduct of the Burdell-Cunningham case; Fullerton's cross-examination of Henry Ward Beecher and Morgan's cross-examination of Huntington should be studied by every lawyer. Greek met Greek.

If the poll of one hundred of America's very great men was called today the name of C. P. Huntington would be on the list, and if his dream is realized John T. Morgan's name will be there, too, and above even Huntington's.—Savoyard in Denver Post.

ILLUSTRATED INCIDENTS IN THE VENEZUELA TROUBLE.



TO REFORM WASHINGTON.

Governor Lessie M. Shaw, his wife and daughters, will on etering officia life in Washington do their utmost to fight rum and dancing.

DECORATION IN METALS.

"One of the most notable tendencies in interior decorations just now," said an architect, "is to introduce the metals, especially copper, to take the place of wood and plaster.

"Closet doors, panels, jambs between ranges of small windows, ceilings and cornices are more and more being made of copper and compositions in which copper is used, and with the constantly increasing means of cheap production and working of metals, this practice is likely to be extended still further.

"Frequently now metal is being used as the outer casing for woodwork, and the result is both original and highly decorative. Besides this, the metals are used in grilles in and about fire places and in the mouldings to inclose marble and tile linings.

"The extension of the electric light first created a demand for light hand wrought fittings in metal, and from that the use of that material extended quickly to fire screens, stands, traps, flower and lamp standards, and to all the hundred and one small objects that crowd the modern drawing room. From those to the room itself was an easy transition.

"But the demand that everything about a modern high class dwelling shall be fireproof as far as possible is a factor which has helped to push metal work along to take the place of wood. The time is coming when the use of the latter will be reduced to a minimum in a fine house."—New York Sun.